



Title: I, Payroll/Personnel Manual

Chapter:

Bulletin: Title I, 07-22, Federal Insurance Contribution Act (FICA)

Date: December 17, 2007

To: Holders of the Payroll/Personnel Procedure
Personnel User Groups
Agency Personnel Offices

Effective January 1, 2008, the wage base for FICA will increase. Beginning with salary payments for Pay Period 25, 2007, the maximum amount of annual earnings subject to social security withholdings and the maximum amount paid by the employee will increase as described below. The National Finance Center (NFC) will automatically withhold these taxes based on the new wage base. No action on the part of the employee or the personnel office is necessary.

FICA Employees

The FICA rate remains 7.65 percent. Of the 7.65 percent, the 6.2 percent social security portion will have a maximum annual earnings amount of \$102,000 (up from \$97,500 in 2007) with a maximum amount paid by the employee of \$6,324 (up from \$6,045 in 2007).

The 1.45 percent Medicare portion of FICA does not have a maximum annual earnings or a maximum amount paid by the employee. All earnings subject to Medicare withholdings will be subject to the 1.45 percent rate.

Medicare Only Employees

The Medicare rate remains 1.45 percent. The 1.45 percent Medicare portion of FICA does not have a maximum annual earnings or a maximum amount paid by the employee. All earnings subject to Medicare withholdings will be subject to the 1.45 percent rate.

Inquiries

For questions about NFC processing, contact the Payroll/Personnel Call Center at **504-255-4630**.

for

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